

Message Text

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DRAFTED BY: AMOHANIAN

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WARREN W. GLICK ACTING EXECUTIVE VICE PRESIDENT

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SUBJ: PRESS RELEASE ON EXIMBANK LOAN TO BAHAMAS

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE DIRECT LOAN OF DOLS 22,320,000 TO BORCO DESULFURIZATION COMPANY. RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON , D.C. FOR AM PAPERS, FRIDAY, MARCH 22, 1974.

QUOTE: EXIMBANK FINANCING SUPPORTS DOLS 49.6 MILLION SALE OF US EQUIPMENT FOR DESULFURIZATION FACILITY IN BAHAMAS

TO SUPPORT A DOLS 49.6 MILLION SALE OF US GOODS AND SERVICES REQUIRED FOR THE DESIGN AND CONSTRUCTION OF A 57,000 BARREL PER DAY DESULFURIZATION FACILITY IN THE BAHAMAS, THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED A DIRECT LOAN OF DOLS 22,320,000 TO FINANCE 45 PERCENT OF THE TOTAL
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U.S. COSTS AND A FINANCIAL GUARNATEE OF A

LOAN OF DOLS 11,160,000 FROM FIRST NATIONAL BANK OF BOSTON TO FINANCE 22-1/2 PERCENT OF THE US COSTS, ACCORDING TO EXIMBANK'S VICE CHAIRMAN WALTER C. SAUER.

A LOAN OF DOLS 11,160,000 FROM PRIVATE SOURCES NOT DESIGNATED WILL FINANCE ANOTHER 22-1/2 PERCENT OF THE US COSTS. THE BORROWER, BORCO DESLUFURIZATION COMPANY (BODCO), WILL MAKE CASH PAYMENT OF THE BALANCE OF THE US COSTS OF DOLS 4,960,000. EXIMBANK WILL ALSO PROVIDE A FINANCIAL GURANTEE OF A LOCAL COST LOAN OF DOLS 3,720,000.

BODCO IS ANEW PARTNERSHIP COMPOSED OF SUBSIDIARIES OF STANDARD OIL COMPANY OF CALIFORNIA, AND NEW ENGLIAND PETROLEUM CORPORATION. THE COMPANY PLANS TO INSTALL FUEL OIL DESULFURIZATION FACILITIES AT THE FREEPORT REFINERY, GRAND BAHAMA ISALD, TO TREAT HIGH SULFUR VACUUM GAS OIL FOR ITS SISTER REFINING COMPANY, BAHAMAS OIL REFINERY COMPANY.

THE BADTER CAOMPANY, INC. OF CAMBRIDGE MASSACHUSETTS, WILL BE RESPONSIBLE FOR THE MAJOR FACILITES. AQUA-CHEM, INC. OF MILWAUKEE, WISCONSIN, WILL FURNISH THE DESALINATION PLANT, AND CHICAGO BRIDGE AND IRON COMAPNY, OAK BROOK, ILLINOIS, WILL DESIGN, FURNISH MATERIALS, AND ERECT THE CRUDE OIL TANKS.

THE LOANS ARE TO BE REPAID IN 14 SEMIANNUAL INSTALLMENTS BEGINNING NOVEMBER 10, 1975, WITH EXIMBANK'S DIRECT LOAN OF DOLS 22,320,000 TO BE REPAID OUT OF THE LAST 7 INSTALLMENTS WITH INTEREST AT AN ANNUAL RATE OF 6 PERCENT ON OUTSTANDING BALANCES. REPAYMENT OF EXIMBANK'S LOAN IS TO BE GUARNATEED HALF BY STANDARD OIL COMPANY OF CALIFORNIA, AND HALF BY NEW ENGLAND PETROLEUM CORPORATION AND GRAND BAHAMA PETROLEUM COMPANY, LTD. UNQUOTE KISSINGER

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